

### Our mission is:

To provide forwardlooking stewardship of our state lands, natural resources and environment.

To provide leadership in creating a sustainable future for the trusts and all citizens.

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### **Q&A:** Proposed Ahtanum Exchange Public Workshops & Public Hearings

Questions and Comments shared by the Public, and Responses

The Washington State Department of Natural Resources (DNR) held four public meetings and three public hearings to present information and take comments about the proposed Ahtanum land exchange. The following answers to comments from those meetings are brief and not a complete discourse of every element and nuance pertaining to questions asked. Only questions posed to DNR and answered by DNR staff are included.

Klickitat County PUD, Goldendale, January 25, 2004

- Q. I would have liked to have been provided the timber cruise and the land appraisal information prior to tonight's meeting.
- **A.** DNR set up public workshops early in the process in order to receive input and catch any important issues. The draft appraisal was released to DNR on Friday evening before the first workshop. The appraisal needs to be checked for accuracy. An appraisal is confidential and proprietary information until the land transaction is closed. The Board of Natural Resources (Board) serves as DNR's Board of Appraisers.
- Q. I would like to see ortho photo posters of all the properties displayed so I can see what DNR would convey and what DNR would receive.
- **A.** The PowerPoint presentation has ortho photos of the properties. While we put up GIS posters of all of Klickitat and Skamania parcels, we did not display all the properties in posters due to the wall space limitations. Responding to the request, DNR put the remaining posters on the table at the conclusion of the question and answer session for the public to view.
- Q. What are the Rules and Regulations surrounding public hunting on Common School trust lands?
- A. Washington State Department of Fish and Wildlife (WDFW) laws and rules pertaining to hunting apply and are in effect. The vast majority of Common School trust lands are open for public hunting unless posted by DNR (or an authorized agent) to protect livestock, improvements or crops of a lessee, or to protect public health or safety. While all the state trusts lands are typically open to the public for hunting, there are no provisions for anyone to trespass across private property in order to get to the trust lands. If there are issues of private property trespass or negligent shooting, contact the appropriate county sheriff's office. If there is a hunting violation, contact WDFW enforcement agents.
- Q. How did the land appraisers and timber cruisers know where the property lines were when they did their work?
- A. The firms were provided with recent aerial and ortho photos that depicted locations of the properties. The locations of many survey monuments are shown on ortho photos. The timber cruise firm had to show DNR their proposed timber cruise plot layout of the proposed sample parcels. The department hired firms that are very familiar and experienced with completing this type of work. Plot locations were specified for numbering in the field. If you think that plots may have been measured on your property in error, please contact Dick Wedin.

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#### Q. How did DNR select properties for the exchange?

- **A.** Three general considerations helped determining parcels to consider for this exchange:
  - Continued consolidation of forest lands managed by DNR (versus scattered forest lands.)
  - Recommendations made from region staff working in the field
  - Consultation occurred with parties interested in the exchange

Properties that are more expensive to manage, have lower relative productivities, lower income potential, smaller in size, and are scattered have been determined to be the most suitable candidate exchange parcels.

### Q. Will an exchange happen regardless of public opinion?

A. Not necessarily. DNR staff, management, the Commissioner of Public Lands, and the Board all value public opinion and want to hear what you think about this exchange proposal. The Board will consider your testimony along with the needs of the trust beneficiaries when they make a decision. Testimony and comments that provide specific information that shows any potential flaws in the proposal are helpful.

The exchange concept is at an early stage and all comments will be considered. February 27<sup>th</sup> 2004 as the end of formal testimony is important to allow DNR staff to compile and review all of the public comments.

#### Q. If there is no easement into a property, what occurs?

A. Both parties in the exchange are likely to review the title information that they have already obtained or will soon obtain. Decisions will then be made as to the adequacy and quality of access for each parcel. Each easement is unique and specific as to what uses are permitted and whether the easement is assignable and would transfer to a successor in ownership.

Skamania County PUD #1, Carson, January 27

### Q. How does the appraiser handle an encumbrance such as a domestic waterline or a domestic well?

A. Typically, an appraiser analyzes the recorded encumbrances, and other encumbrances that become apparent after visiting the property. The appraiser examines whether the terms and conditions of the encumbrances are similar or dissimilar to comparable sales, and whether the encumbrances are restrictive enough in nature to have an effect on value. The appraiser adjusts the subject property's market value according to how the market would react to the encumbrance – and may include additional consultation with other parties.

### Q. Does DNR put stipulations and encumbrances onto property being conveyed?

A. DNR typically does not put additional stipulations, restrictions, or encumbrances onto properties being conveyed. Most people are interested in having title cleared by removing historic encumbrances of record and do not want any new encumbrances that restrict their future use of the property. Zoning and local government land use designations continue to be applicable for the properties after conveyance.

#### Q. What is the Forest Board trust?

A. Forest Board trust lands mostly in Western Washington counties, are managed by DNR to provide revenue and for the counties in which the parcels are located – and for their taxing districts, such as library, cemetery or fire districts, etc. Most were private forestlands, logged and abandoned in the early 1900s. The counties obtained them in the 1930s and 40s through tax delinquency foreclosures. The counties transferred ownership (Forest Board transfer trust) and land management responsibilities to Washington State. Laws specify how the costs and revenues would be shared. The State also purchased some cutover forestland for reforestation and investment purposes (Forest Board purchase trust) during this same period. All Forest Board trust lands proposed for this exchange are Forest Board transfer lands located in Skamania or Klickitat counties.

#### Q. When will appraisal values become a public record?

A. The appraisal is a public record, but is exempt from disclosure for the period prescribed in RCW 42.17.310(g). It will be released after the Board of Natural Resources makes a final decision on the transaction, after it is decided that the appraisal is no longer needed for any potential transaction, or three years, whichever comes first.

### Q. Who would acquire the state trust properties in Skamania County if an exchange were approved?

**A.** As the exchange concept is currently envisioned, either Plum Creek or Elk Haven or a nominee of either company would obtain the title to state trust properties. If the exchange were to proceed, but a specific parcel was not included, the specific State of Washington trust would continue to hold title to the property.

More -

#### Q. Are Elk Haven LLC and Plum Creek LP one company or two, and are they interrelated or linked?

A. Elk Haven LLC and Plum Creek LP are different corporations and have different partners or Boards of Directors. The companies are not interrelated. While the companies are not linked, Elk Haven has purchased two sections in the Ahtanum area from Plum Creek and Elk Haven has acquired a purchase option of the remaining Plum Creek properties located in the Ahtanum.

### Q. Has DNR moved forward on completing any other exchanges recently and what was the outcome?

**A.** DNR frequently receives calls from public and private parties that have conceptual ideas about land exchanges that would involve trust lands. The vast majority are never acted upon for a wide variety of reasons. DNR staff continue to talk with several landowners about potential land transactions. The most recent completed land exchanges were with BLM (2000), Plum Creek (2001), and Manke (2001).

#### Q. Will a Plum Creek representative be at the hearing?

A. They are not required to attend. However, at this time a representative from Forestland Marketing intends to be present at every hearing. Forestland Marketing is the designated real estate representative for both corporations for this transaction.

### Q. Is there any possibility for landowners to comment and express approval or disapproval of parcels that have been proposed for this exchange transaction?

**A.** Yes, the purpose of these workshops is for DNR to share information and to obtain public input and public comments regarding the parcels and the exchange proposals. The workshops are designed to be informal. The hearings are designed to be formal in nature after a brief informational presentation. Testimony will be received at the public hearing locations or as written comments to the Southeast Region Office by February 27,<sup>th</sup> 2004.

#### Q. How will DNR manage the lands that it acquires on behalf of the trusts?

**A.** DNR will manage the lands to benefit the trust beneficiaries in a manner similar to other state trusts lands. This will mainly involve sustainable forest management and income production through marketing of timber and other natural resources on the lands, while providing for native wildlife species consistent with the Forest Resources Plan, and Habitat Conservation Plan (for those properties that are part of DNR's HCP).

Ahtanum Youth Barn located at Ahtanum Parks Department, Union Gap, January 28

No Questions posed.

Cascade Mountain Inn, Cle Elum, January 29

### O. What restrictions are put on DNR lands that are conveved?

**A.** DNR generally does not put restrictions on the Quit Claim Deed, other than previously granted easements and mineral reservations. The title report lists the easements and perhaps other legal encumbrances on the properties such as water rights.

### Q. Is Elk Haven a timber company? Who are they?

**A.** Elk Haven is a Limited Liability Corporation (LLC) specifically formed to purchase sections of property in the Ahtanum.

#### Q. At what stage of negotiating are you with Plum Creek?

**A.** Parties to the exchange have not begun negotiations. Parties are waiting for final review of the timber cruise and land appraisals; and also to review encumbrances and consider public comments.

### Q. Have the lands been appraised?

A. Yes, review of the appraisal is in progress.

#### Q. Who picked out the exchange properties?

A. DNR region and transactions program staff.

#### Q. Can a parcel or portion of a parcel be sold prior to the exchange?

**A.** No. Should the exchange proceed, those parcels that are not included in the final exchange may be considered for eventual sale or some other disposal method. This would depend on the anticipated level of interest and DNR resources available to conduct a sale.

#### Q. What have you done to preserve public access?

**A.** Those parcels served by a county road will have public access. Those parcels served by an easement are dependent upon what provisions the easement authorizes, and whether access is for management purposes only or includes public access.

#### Q. If DNR costs are reduced by the proposed exchange, what benefits will there be to the trust beneficiary?

A. A greater net return to the trust beneficiaries. In the short term, there will likely not be a significant increase in revenue to the trust from the exchange. However, land management efficiencies (such as less boundary surveys, better road management, fewer miles for foresters to travel, etc.), that allow efforts to be placed into more productive lands. With the increase in acreage, it is anticipated the returns will increase over the long-term.

More →

### Q. Is DNR going to increase harvest with an increase in the land base?

**A.** It is anticipated that as a result of the land exchange, an increase in the land base should mean that over time there would be an increase in harvest, as well as other forest benefits such as wildlife habitat and recreation.

### Q. When lands are exchanged, what rights are conveyed: water, mineral, etc.? Are there deed restrictions?

A. DNR generally retains mineral rights in land transactions. Whether DNR retains mineral rights on those lands it conveys depends on total appraised values, and whether land to be acquired would be conveyed with mineral rights. It may be part of the negotiations. Water rights are "attached to" the land and go with it. Usually DNR does not put restrictions on a Quit Claim Deed, other than mineral reservations and easements.

### Q. What considerations are given to the Mountain to Sound Greenway and view sheds?

**A.** DNR is cognizant of forest management activities and view sheds along the Interstate 90 corridor. DNR has been and continues to be a participant in helping to create the greenway landscape. The Forest Practices Act and public expectations help to guide harvesting options along the corridor.

### Q. Are site potentials the same, with same costs, constraints and potential incomes?

A. Generally, the parcels involved in the proposed exchange are of similar tree-growing capacity. Trust parcels selected to be 'exchanged out of' are parcels that DNR has been less able to capture the values through the sale of timber for a variety of reasons, including incompatible adjacent land uses. DNR accepts that natural resource management may not be the highest and best use of some properties, and they may be best for uses that state trust lands are not involved in, e.g., rural residential properties.

The Ahtanum lands identified for DNR to acquire are designated commercial forestlands, which aligns with

trust land management. It is anticipated that DNR will be able to make forest investments and obtain a return from those investments over time. These are returns to the trust beneficiary that DNR may not have otherwise captured on existing candidate parcels.

### Q. Have you studied parcel S1 for elk and other wildlife values? Comment also on parcels S2 and S3.

**A.** DNR will conduct a wildlife assessment on candidate parcels. This assessment will consist of a review of available wildlife data.

#### Q. Do you look at potential future values?

**A.** Yes. Potential future use and value helped guide field managers in selecting properties for the exchange.

### Q. What will be sent after the workshops? Can we get a copy of the draft time line?

A. The PowerPoint presentation about the exchange and the anticipated time line will be available on DNR's website: <a href="www.dnr.wa.gov">www.dnr.wa.gov</a>. The two handouts — "Tax contributions from DNR-managed lands" and "Eastern Washington Land Transactions 2003" — are available for those who didn't attend the workshops. Contact Dick Wedin, Project Coordinator, at 509-925-0929. Through the above webpage, DNR periodically will inform the public as to the progress of the proposed land exchange.

# Q. On parcel S8 by the river, both the private party and state own land on both sides of the river. Could DNR sell or swap a portion?

**A.** DNR generally does not swap or sell portions of a larger unit. It has not been cost effective to enter into such transactions and is usually not beneficial to the trust in the long term.

More →

## **Proposed Ahtanum Exchange Public Hearings**

The following answers to comments from the hearings are brief and not a complete discourse of every element and nuance pertaining to questions asked. Only questions posed to DNR and answered by DNR staff are included.

Park Center, White Salmon February 10

### Q. What is the name of the appraisal firm and can we obtain a copy of the appraisal report?

A. The appraisal firm that engaged for the appraisal is GVA, Kidder, & Mathews, of Seattle, Washington. (Note: At the White Salmon meeting the project manager did not initially release the firm's name.)

### Q. Is this land exchange subject to SEPA?

A. No, this exchange, similar to most land transactions, is exempt from SEPA. Since the change of ownership of property does not in itself change the property physically, there is no SEPA process. However, should the department plan to carry out any activities that are subject to SEPA on a particular parcel, DNR will carry out the SEPA process for that proposed activity.

# Q. Are you intending to complete environmental reviews of each of the parcels that may be involved in the exchange?

**A.** DNR is working on an internal review of the information about what that is known to occur on or near the proposed parcels, and will consider these resource values as future decisions are made regarding the exchange.

#### Q. Will the appraiser consider the potential effects on land values for such things as creeks and streams that may be present on the properties?

A. The appraiser will consider physical and legal limitations associated with the properties as part of the appraisal. One example that the appraiser may consider is fish bearing streams that have state Forest Practice regulatory stream buffers that restrict activities, such as some timber harvest in those buffer areas. County Critical Area ordinances often restrict the activities a landowner can conduct near streams and might be considered.

Ahtanum Youth Barn, Union Gap - February 11

# Q. What tools are available to balance values between parcels, such as when there are conservation easements, wetlands?

A. Conservation easements are not a standard practice used by DNR. DNR does consider and use mineral or easement reservations in land transactions. Exchange parcels will be appraised based on the highest and best use for the property, and the ownerships balanced through the values of properties involved.

### Q. What is the impact on property taxes for counties?

A. The preliminary title report indicates that approximately \$3,000 was paid by Plum Creek and Elk Haven to Yakima County government in 2002. (DNR pays the forest excise upon sale of timber rights for harvest, and pays leasehold tax for leases.)

# Q. Have you thought of the long- and short -term values for multiple features such as income, wildlife habitat, and unique plants?

A. Yes, DNR has considered many values associated with the lands while considering this project. DNR considers many factors such as long-term income potential to the trust beneficiary, costs associated with managing the lands; and wildlife habitat and unique plants are evaluated and will be considered in the proposed exchange. DNR considers "intergenerational equity" issues, which is balancing the needs of the present and future generations of trust beneficiaries.

#### Q. What road impacts might occur with an exchange?

A. Specific impacts are unknown at this time and are dependent upon which properties would be acquired by DNR and other landowners on a site-by-site basis. It is anticipated that the exchange will increase the likelihood of allowing the continuation of the road management "Green Dot" system in the Ahtanum.

### Q. Will increase in DNR ownership allow an increase in patrol and control in the area?

**A.** It is unknown at this time, but hopefully yes. Generally, it has been DNR's experience that consolidating ownership increases the likelihood of management control for areas.

#### Q. Is the exchange exempt from SEPA?

A. Yes, categorically exempted. Since no activity is actually taking place on the ground with the paperwork of a change in ownership, there is no SEPA. More →

### Easton School Multi-purpose room, Easton – February 12

### Q. Government land is generally lands that were left over and generally worthless, why should government land have value to someone who has paid money for land?

**A.** Land use designations and zoning in the county comprehensive land use plan influence land values. The appraisal will take into consideration the legal highest and best use and the associated market values.

### Q. What land on the charts and presentation are correct?

A. DNR has identified all the potential lands that could be included in the proposed exchange. The chart in the presentation identifies those private parcels DNR has identified to acquire, but it does not show how DNR trust lands would be sorted out between Plum Creek Timberland or Elk Haven. Which parcels are ultimately selected in the final exchange and how trust lands will be distributed between Plum Creek and Elk Haven won't be known until negotiations are completed.

# Q. Are parcels PC17, PC18, PC19 located in the Joe Watt Area? If these parcels are acquired, will they be in a potential land exchange with Washington Department of Fish and Wildlife (WDFW)?

A. No, the three parcels are located in the Moon Light Canyon and Skull Springs area. An exchange with WDFW is always a possibility, but would depend on interest by both agencies, and whether or not both are in a position to enter into an exchange.

### Q. What is our community (Easton) going to get as a result of this exchange?

**A.** The county may receive what are currently trust lands back on the county tax rolls, and DNR may further consolidate ownership of State of Washington lands in the L.T. Murray area.

# Q. Part 1. How is the public going to benefit from the results of this exchange? Part 2. If I wanted to enjoy recreation, how would this exchange benefit that?

**A.** Part 1 – One benefit would be increased long-term benefits to the trust by increased returns over time that will help ensure funding for continued school construction and other trust beneficiaries needs.

Part 2 – Increased opportunities for public use on

state trust lands may occur; e.g., hunting and fishing, ATV use, snowmobiling, horse back riding, etc. as long as there is public access (county roads) or easements that allow for public use.

# Q. Were other agencies given the opportunity to be involved in this exchange for any of the properties?

**A.** No, DNR was not aware of any interest by other agencies for these candidate properties other than the parties to this exchange.

### Q. Weren't there other lands that the parties were interested in?

**A.** Yes. However, the candidate parcels selected for the Ahtanum exchange were chosen as having an increased likelihood for addressing the needs of all parties associated with this exchange.

### Q. What was the purpose of the land grants from the federal government?

- A. Back in 1889, when Washington became a state, the federal government was property rich and cash poor. Congress granted Washington and other "land grant" states property with designated trust beneficiaries, to help the state establish the public infrastructure it needed. Most of the trusts support public schools and universities. Revenues from these trust lands have helped to build
  - Public K-12 grade schools,
  - Eastern, Western and Central Universities (originally "normal schools" or teachers colleges)
  - University of Washington
  - Washington State University
  - The Capitol Campus in Olympia,
  - Schools for the blind and deaf, and reformatories, mental hospitals, and state prisons.

These trust lands continue to provide a source of funding for Washington State citizens needs such as K-12 school construction.